

THE 2007 LOUISIANA TOURISM SATELLITE ACCOUNT AN UPDATE

Submitted to

The Louisiana Department of Culture, Recreation and Tourism

And

The Office of the Lieutenant Governor

By

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I. Executive Summary

The second full year after Hurricanes Katrina and Rita provides us with a continuing measure of recovery in the Louisiana Travel and Tourism industry. A healthy rebound in this sector is shown in the almost complete return to spending levels of 2004 before the devastating hurricane season the following year.

Key observations:

- **Total Louisiana visitor spending for 2007 was \$9.0 billion –10% lower than the last full pre-storm year of 2004**
- **Over 143,000 Louisiana residents were directly employed in Travel & Tourism in 2007 – down from a peak of over 175,000 workers in 2004**
- **This implies that the Travel and Tourism Industry directly employed 7.7% of the Louisiana workforce in 2007**
- **\$5.6 billion of 2007 Louisiana production (2.6% of Gross State Product) was directly attributable to expenditures in Travel and Tourism**
- **In terms of taxes, fees, and license revenues, visitor spending accounted for \$782 million of 2007 Louisiana revenues, or 8.7% of this major revenue category.**

II. 2007 Tourism Satellite Account Results

This document represents a summary of results for the 2007 Louisiana Tourism Satellite Account (TSA). The 2007 TSA is an update of the 2003-2006 Louisiana TSA's. The methodology for creating a TSA has been revised over time by the World Tourism Organization in partnership with the OECD, the European Union, and the United Nations.¹ Our methodology follows the WTO guidelines and is identical to 2003 methodology to ensure comparability across years. For a discussion of the purpose and goals of the TSA, we refer the reader to the *2003 Louisiana Satellite Account Report*, which addresses these issues in some detail.

The year 2007 was the second full year of measurement since Hurricanes Katrina and Rita devastated Louisiana in 2005. As the State's largest Tourism locale, New Orleans is counting on the Travel & Tourism Industry to help fuel the recovery. The 2007 estimates of traveler and tourist spending provided by UNO strongly agree with our prediction that 2006 would be the low point in the industry's recovery. This series of TSAs continues to provide an excellent baseline measure for documenting the recovery of Louisiana's Travel and Tourism Industry.

As mentioned in the 2005 report, Louisiana's Travel and Tourism Industry has a crucial role to play in the recovery with almost 10% of the 2004 Louisiana workforce directly employed in Travel and Tourism. From 2006 to 2007 that percentage rebounded from 6.0% to 7.7%. The health of the Travel and Tourism Industry remains a critical component of the recovery.

Before moving to results, several measurement issues are worth noting. First, though the format of the UNO estimates was almost identical to what we have used in the past from TIA,

¹ See Tourism Satellite Account: Recommended Methodological Framework (2001) for a more detailed description of broader methodological issues.

we did have to make one reallocation. To update TIA's "Public Transportation" category we split UNO's "Transportation (within state)" spending, which includes both auto and air travel, between "Auto" and "Public" (i.e. air, rail, and water) transportation. This was done using the proportions from TIA's 2007 spending categories of "Auto" and "Public" transportation spending. Second, visitors are traditionally defined as all persons traveling for more than 50 miles or staying overnight for business or pleasure (excluding commuters or students). In the wake of the storm, two new groups appeared (evacuees and relief workers) beyond the scope of our traditional definition. These two were omitted from our 2006 measures of visitors and visitor spending. For 2007, it is assumed that traditional visitors have reclaimed their predominance. Lastly, our report builds on UNO's estimates of Louisiana visitor spending. Our visitor spending came directly from this source. However, overall spending and subsequent employment and taxes collected are higher in our TSA than in the UNO estimates. While the UNO estimates account for the most important input, visitor spending, we take additional steps to include other inputs such as construction and government spending that benefits travel & tourism. The hurricanes of 2005 made road and hotel construction and repair more critical than ever. They are requisite additions to a more complete measure of how travel and tourism impacts the state's economy through all efforts to support this industry.

Throughout this document, we will include comparisons of 2007 results to those from previous TSAs. The comparisons in this document will allow us to document the degree of devastation to Louisiana's Travel and Tourism industry. TSAs and the Louisiana Tourism Forecast in future years will continue to document the recovery of Louisiana's Travel and Tourism industry over time.

III. Expenditures

Table 1 summarizes 2003-07 Travel and Tourism related expenditures from all sources and supplies the starting point for TSA analysis. Just as in 2004, the largest share of Travel and Tourism expenditures (90%) are visitor expenditures. In 2007 Louisiana visitor spending was just under \$9.0 billion. Another interesting feature of Table 1 is Tourism investment, which hit new highs again in 2007. This reflects in part hurricane related reconstruction. Investment spending on roads and buildings almost doubled in 2006 when compared to previous years' estimates. 2007 investment spending was similar to 2006. Because a portion of highway spending is used to support Tourism related travel, a portion of this spending on roads is included in our measures of Tourism spending.

Table 1: 2003-07 Travel and Tourism Expenditures

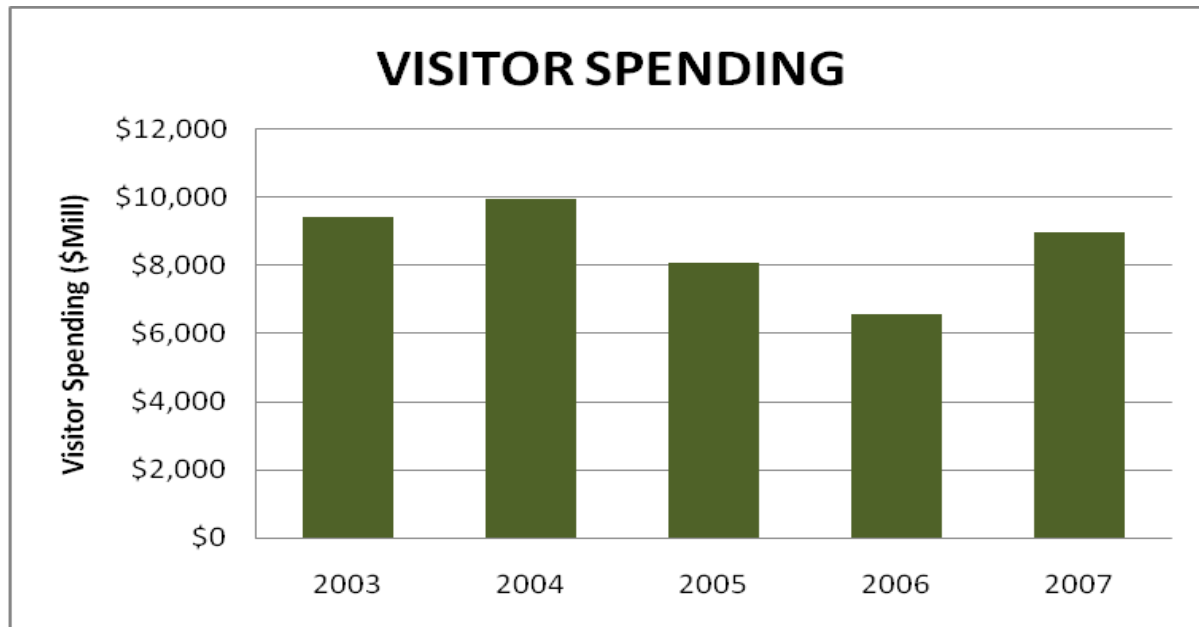
Categorized Travel & Tourism Spending (\$Millions)	2003	2004	2005	2006	2007
Domestic Visitors	\$9,055	\$9,539	\$7,889	\$6,425	\$8,671
International	\$364	\$425	\$198	\$130	\$294
Investment	\$423	\$578	\$424	\$828	\$864
Government Spending	\$89	\$84	\$81	\$88	\$88
Total	\$9,930	\$10,627	\$8,591	\$7,471	\$10,416

Sources: See Appendix A.

Figures 1 through 3 give visual representations of spending levels. Figure 1 presents the largest component of Travel and Tourism Expenditures, total visitor spending. Notice that visitor spending peaked in the pre-storm year of 2004, fell in 2005 and continued to fall in 2006. Recall that data from January to July 2005 revealed that visitor spending was on track to break all records. Hurricanes Katrina and Rita changed that by drastically affecting Travel and

Tourism for the last four months of the year 2005. In 2006, Louisiana, and in particular New Orleans, continued to feel an impact from the storms for the full year. A healthy rebound has been experienced in 2007.

Figure 1: Louisiana Visitor Spending, 2003-2007



The other two components of Travel and Tourism expenditures, Investment and Government spending, are shown in Figures 2 and 3. Both figures show a substantial increase in Travel and Tourism related Investment and Government spending in 2006 and its continuation through 2007. This reflects dollars spent rebuilding Louisiana's devastated Travel and Tourism infrastructure. Figure 3 also shows a dramatic fall in Travel and Tourism related Government spending in 2005 as the state froze its budget amid the uncertainty of the impact of those storms on the state budget. The rise in 2006 and 2007 reflects both an injection of some Federal funding and a return to normal in state spending. It is important to note that both Investment and

Government spending are small relative to visitor spending and thus fail to offset its decline from 2004 levels when computing total Travel and Tourism expenditures.

Figure 2: LA Investment Spending Attributed to Travel & Tourism, 2003-2007

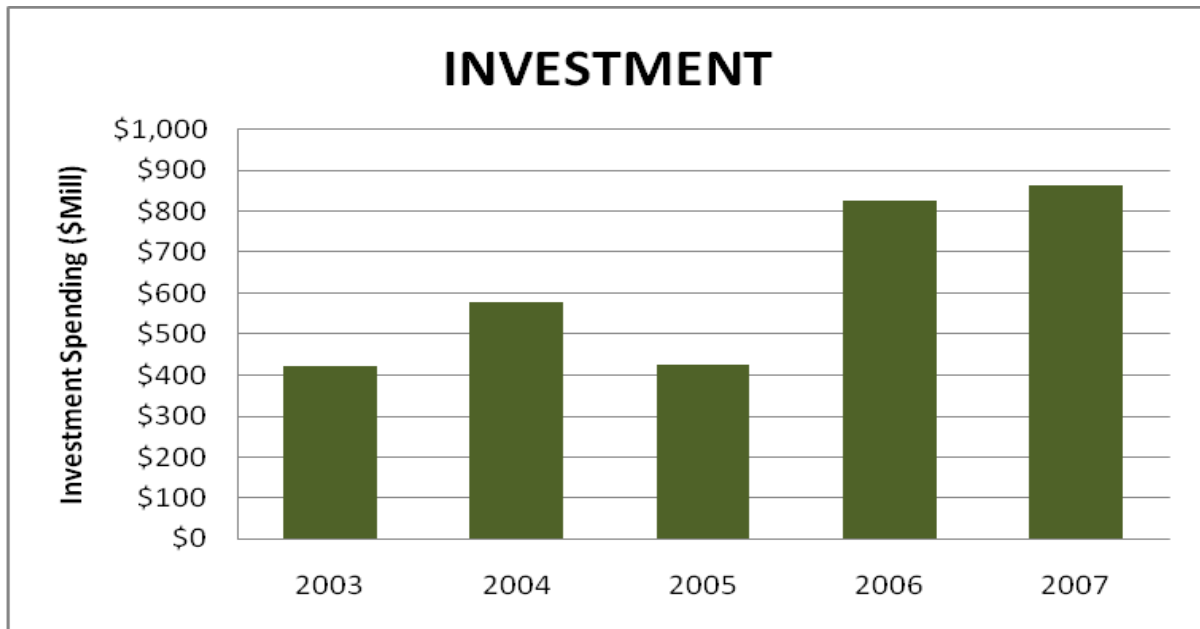
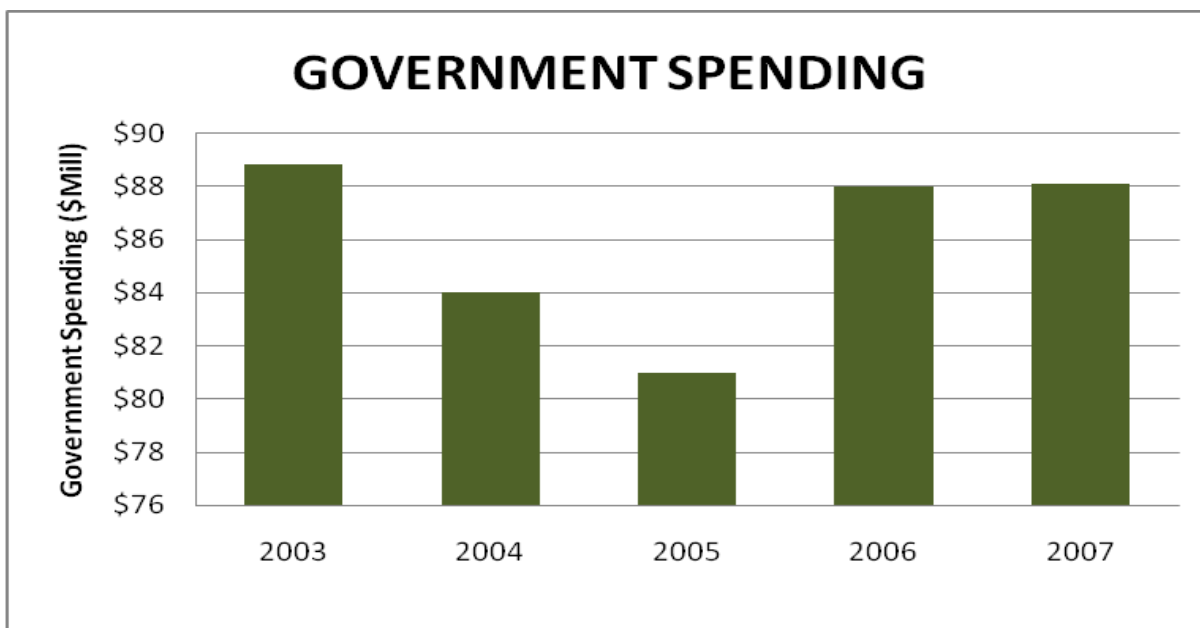


Figure 3: LA Government Spending Attributed to Travel & Tourism, 2003-2007



IV. Value Added

The Travel and Tourism industry differs from other industries in that it is divided across many other industries in standard government statistics. For example, sales to visitors by retailers will appear in federal and state statistics as the North American Industry Classification System (NAICS) categories 44 & 45 titled “Retail Trade”. Visitor spending on meals appears in NAICS 72 “Accommodations and Food Services”. However, both sectors also contain sales to Louisiana residents. Table 2 contains value added (an economic measure of production which includes only goods and services produced in Louisiana) for the top 16 sectors in the Louisiana economy. Included here, but not in traditional government statistics, is Travel & Tourism which is made up of parts of each industry.

The U.S. Bureau of Economic Analysis provides data for fifteen of these sectors, while Travel and Tourism value added is computed using the TSA methodology. The Travel and Tourism sector ranks 12th on this list for 2007 up from 15th in 2006. This sector makes up \$5.6 billion of Louisiana output or 2.6% of Gross State Product (GSP). By reference the sector ranked 11th in both 2003 and 2004 and was 3.8 and 3.6% of GSP respectively. Comparing value added to expenditures reveals that 62 cents out of every dollar in visitor spending stays in Louisiana – a figure comparable to that in previous years.

Table 2: 2007 Louisiana Value Added

Rank	Industry	Value Added (\$Millions)
1	Manufacturing	\$49,666
2	Mining	\$31,077
3	Government	\$22,313
4	Real estate, rental, and leasing	\$15,887
5	Retail trade	\$13,015
6	Health care and social assistance	\$11,776
7	Wholesale trade	\$9,088
8	Professional and technical services	\$8,531
9	Construction	\$8,147
10	Transportation and warehousing	\$7,383
11	Finance and insurance	\$6,725
12	Travel & Tourism	\$5,592
13	Utilities	\$5,584
14	Accommodation and food services	\$5,408
15	Administrative and waste services	\$4,960
16	Information	\$4,665
	Total	\$216,146

Source: US Bureau of Economic Analysis, IMPLAN, and author's calculations.
Total does not include Travel & Tourism.

V. Employment

Table 3 contains Louisiana employment by industry for 2007 for all sectors employing over 75,000 Louisiana workers. Employment figures for all sectors other than Travel and Tourism were obtained from the Louisiana Department of Labor. Recall, that traditional definitions split Travel and Tourism across other sectors, so categories such as Retail Trade do include some jobs that are attributable to Travel and Tourism. Travel and Tourism employment was obtained using the TSA methodology. The Travel and Tourism sector ranks 6th in 2007.

This is up from 7th in 2006. Over 143,000 Louisiana workers were directly employed in this sector¹. They represented 7.7% of all Louisiana workers in 2007. This is a significant rebound towards their peak of 9.4% (2004) from the low of 6.0% (2006). The Travel and Tourism sector ranked 4th in employment for both 2003 and 2004 and 6th in 2005. In 2004 there were 175,000 workers and in 2005 there were 130,000 workers directly employed in the Travel and Tourism Industry. One notable difference between spending and employment is that while spending has closely approached 2004 levels, employment has not. Two contributing factors for this were inflation and wage increases. Inflation in the southern region of the United States was 3.24% annually between 2004 and 2007. In addition, Louisiana's average weekly wages have risen by 6.1% annually between 2004 and 2007. In Orleans Parish, average weekly wages in the "Accommodations and Food Services" sector rose by 23% from 2004 to 2006. The result is that spending in 2007 translated to less employment than in 2004 when labor was cheaper. 2007 spending was 90% of 2004 levels while employment was only 80%².

¹ A worker employed for 8 mos. in the sector would be counted as $8/12=2/3$ of a worker in our total. 12 workers employed 8 mos./year is $12 \times 8/12=8$ workers

² Inflation and wage calculations are by the author using data provided by the U.S. Bureau of labor statistics; www.bls.gov.

Table 3
2007 Louisiana Employment by Industry

Rank	Industry	Employment
1	Health Care and Social Assistance	264,936
2	Retail Trade	226,246
3	Educational Services	163,027
4	Accommodation and Food Services	161,060
5	Manufacturing	157,349
6	Travel & Tourism	143,091
7	Construction	142,980
8	Administrative and Waste Services	100,697
9	Public Administration	99,166
10	Professional and Technical Services	83,365
11	Transportation and Warehousing	80,009
12	Wholesale Trade	75,817
	All Others	315,314
	Total	1,869,965

Source: US Department Bureau of Labor, IMPLAN, and author's calculations.
Total does not include Travel and Tourism.

The 143,091 Travel and Tourism jobs are spread widely across the Louisiana economy. Table 4 contains the top ten areas of employment for Travel and Tourism workers based on a three digit NAICS industry classification. Not surprisingly, the largest employment category is Food Services workers with 35,966, or 24.8%, of all Travel and Tourism employment.

Table 4
Composition of Direct 2007 LA Travel & Tourism Employment by Sector

Rank	Industry	Employment	% of T&T	State Employment	% of State
1	Food services & drinking places	43,530	30.42%	137,926	7.4%
2	Amusement- gambling & recreation	12,707	8.88%	34,657	1.9%
3	Accommodations	12,575	8.79%	23,134	1.2%
4	General merchandise stores	10,736	7.50%	51,236	2.7%
5	Construction	9,626	6.73%	142,980	7.6%
6	Misc retailers	8,995	6.29%	11,823	0.6%
7	Transportation Services	7,645	5.34%	21,204	1.1%
8	Real estate	5,071	3.54%	14,402	0.8%
9	Food & Beverage Stores	4,595	3.21%	36,097	1.9%
10	Gasoline Stations	4,163	2.91%	18,361	1.0%
	All Others	23,449	16.39%	1,378,147	73.7%
	Total	143,091	100.00	1,869,965	100.0%

Source: Expenditure data sources summarized in appendix A, IMPLAN, and author's calculations. Recall from previous footnote that a part time worker is a fraction of one unit of employment in our results (column 3 above) but is counted as one unit by the state (column 5 above).

Table 5 focuses on production in the Travel and Tourism sector, rather than employment.

Overall, the sector is more dispersed as measured by value added. The labor intensive Food

Services category falls in relative importance while Accommodations rises in importance.

Table 5
Composition of Direct 2007 LA Travel & Tourism Value Added by Sector

Rank	Industry	Value Added (\$Millions)	% of Total
1	Food services & drinking places	\$1,009	18.04%
2	Amusement- gambling & recreation	\$709	12.68%
3	Accommodations	\$623	11.14%
4	Construction	\$456	8.15%
5	Real estate	\$434	7.76%
6	General merchandise stores	\$363	6.49%
7	Sightseeing transportation	\$332	5.94%
8	Transportation services	\$261	4.67%
9	Misc. Retailers	\$243	4.35%
10	Gasoline stations	\$207	3.70%
	All Others	\$955	17.08%
	Total	\$5,592	100.00%

Source: Expenditure data sources summarized in Appendix A, IMPLAN, and author's calculations.

VI. Indirect & Induced Impacts

Up until this point, this report has focused on the direct impact of visitor spending on the Louisiana economy. However, the Travel and Tourism industry is made even more important at this critical juncture in Louisiana's history by its indirect impact on the state's economy. Like a rock dropped in a pond, the economic impact of visitor spending ripples throughout the economy. Visitors create demand for restaurants and other Louisiana businesses ranging from small retailers to large hotels. These businesses then purchase more goods and services from other Louisiana businesses and the ripples continue. Likewise, spending by workers receiving wages from Travel and Tourism businesses stimulate new economic activity.

Table 6 contains the total employment created by the Travel and Tourism sector, accounting for both the direct and secondary impacts. Comparing Table 6 to Table 4 reveals that the indirect effects of Travel and Tourism expenditures account create 61,844 additional Louisiana jobs.

Table 6

Total 2007 LA Employment Attributable to the Travel and Tourism Sector

Rank	Industry	Total Employment	% of Total
1	Food services & drinking places	48,257	23.89%
2	Amusement- gambling & recreation	13,316	6.59%
3	Accommodations	13,529	6.70%
4	General merchandise stores	12,246	6.06%
5	Construction	10,659	5.28%
6	Transportation services	8,636	4.28%
7	Misc. Retailers	9,726	4.81%
8	Real estate	8,694	4.30%
9	Administrative support services	5,266	2.61%
10	Food & beverage stores	6,034	2.99%
	All Other	65,644	32.50%
	Total	202,006	100.00%

Source: Expenditure data sources summarized in Appendix A, IMPLAN, and author's calculations.

Table 7 contains similar results for value added. Accounting for indirect and induced effects of Travel and Tourism (the ripples) adds \$3.5 billion in value added. Comparing the total value added for individual categories in Table 7 to direct value added in Table 5 allows one to assess the size of these economic ripples in different categories.

Table 7
Total 2007 Economic Impact of Travel and Tourism on Louisiana's Economy

Rank	Industry	Total Value Added (\$Millions)	% of Total
1	Food services & drinking places	\$1,119	12.3%
2	Real estate	\$743	8.2%
3	Amusement- gambling & recreation	\$734	8.1%
4	Accommodations	\$672	7.4%
5	Construction	\$504	5.6%
6	Government & non NAICs	\$500	5.5%
7	General merchandise stores	\$414	4.6%
8	Sightseeing Transportation	\$377	4.2%
9	Transportation Services	\$302	3.3%
10	Professional- scientific & technical services	\$283	3.1%
	Other	\$3,429	37.8%
	Total	\$9,078	100.0%

Source: Expenditure data sources summarized in appendix A, IMPLAN, and author's calculations.

Figures 4 and 5 break the impact of Travel and Tourism into its direct (darker shade) and indirect/induced (lighter shade) effects. For example, the 2007 bar of Figure 4 shows that Direct employment in Travel and Tourism was about 143,000 in that year with the sector creating over 202,000 total jobs when indirect and induced employment are included. The overall patterns in both figures are driven by visitor spending with a peak in 2004 followed by declines in 2005 and 2006 due to the effects of the Hurricanes on Louisiana's Travel and Tourism Industry.

Figure 4: The Impact on Travel & Tourism on Louisiana's Employment, 2003-2007

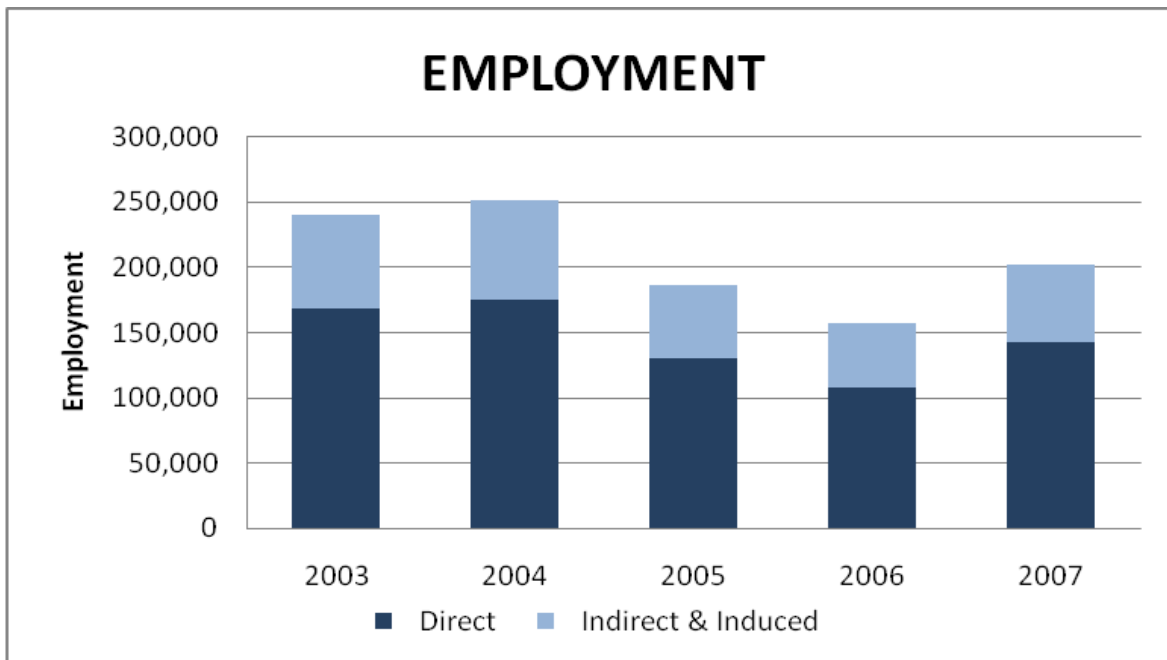
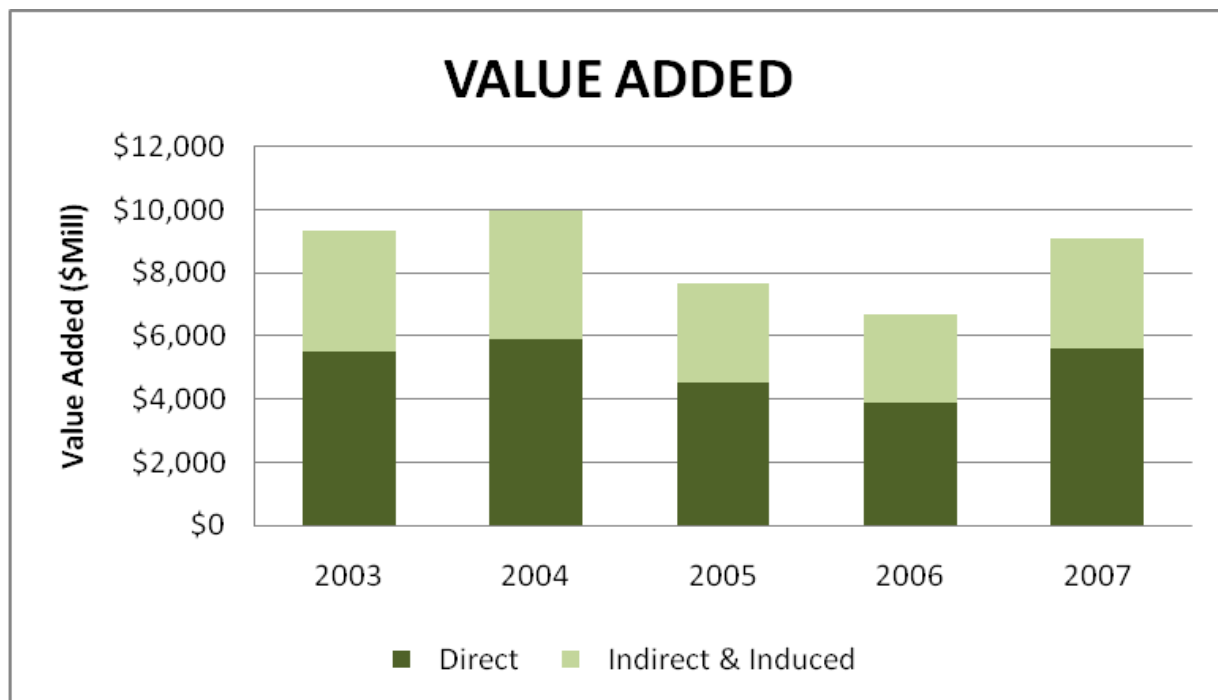


Figure 5: The Impact on Travel & Tourism on Louisiana's GSP (Value Added), 2003-2007



VII. Tax Impacts

The Travel and Tourism sector also generates tax revenues for Louisiana's state and local governments. Table 8 contains the 2007 Louisiana state tax revenues generated from the Travel and Tourism sector (Visitor Taxes) as well as overall tax revenues (State Total). Visitor spending directly generates a large portion of this revenue. In particular, Auto Rental Excise Taxes, Riverboat Casino and Other Gaming Taxes, and Alcohol Taxes are computed based on the proportion of expenditures on the goods by visitors. Other items, such as Individual Income Taxes or Corporate Income Taxes, are the result of the earnings and firms who are either directly or indirectly supported by the Travel and Tourism sector.³

Table 8
2007 Louisiana State Tax Revenues Attributable
To the Travel and Tourism Sector

Revenue Category	Visitor Taxes	% in category	State Total (\$Millions)	% of State Total
Alcohol Beverage	\$0.5	0.1%	\$17.6	3.1%
Beer Tax	\$1.1	0.1%	\$34.2	3.1%
Gasoline Tax	\$95.8	12.2%	\$458.5	20.9%
Auto Rental Excise	\$5.0	0.6%	\$5.5	90.0%
Sales Tax	\$227.8	29.1%	\$2,446.3	9.3%
Corporate Income Tax	\$21.6	2.8%	\$237.4	9.1%
Individual Income Tax	\$105.6	13.5%	\$2,123.5	5.0%
Motor Vehicle Licenses	\$3.1	0.4%	\$91.1	3.5%
Landbased Casino	\$22.6	2.9%	\$83.8	27.0%
Video Draw Poker	\$59.6	7.6%	\$198.5	30.0%
Riverboat Gaming	\$209.1	26.7%	\$383.7	54.5%
Ractrack Slots	\$30.6	3.9%	\$56.0	54.5%
Total	\$782.4	100.0%	\$6,136.2	12.8%

Sources: Louisiana state budget, IMPLAN, expenditure data summarized in Appendix A, and author's calculations.

³ Details on computation of the tax revenues attributable to visitor spending are available in the 2003 TSA.

The estimates in table 8 come from the State Budget, State Troopers' Gaming reports, IMPLAN software output, Loren Scott & Associates 2005 Gaming report and the author's calculations. Using TNS survey data it was estimated that 3.1% of alcohol sales were attributable to travelers and tourists. Gasoline taxes, like "Vehicle Miles Traveled", were estimated to be 20.9% while auto rental excise tax was estimated to be 90% attributable to travelers and tourists. Sales tax was calculated using the share of retail spending attributable to travelers and tourists (9.3%). Motor vehicle license fees were calculated by IMPLAN. The different forms and venues of gaming attract different proportions of travelers and tourists ranging from 27-55%. These share estimates include the use of results from a license plate and visitor surveys at gaming locations.

The results in Table 8 imply that \$782.4 million of Louisiana "Net Total Taxes, Fees, Licenses", which amounted to \$8,949 million in FY 06-07', was attributable to the Travel and Tourism sector. This is 8.7% of this major revenue category in the Louisiana State budget. Compared to \$702.2 million of Tax Revenue in 2006 (see Table 9), this result implies a 11% rebound in state tax revenues contributable to tourism during 2007. This is also a 16% increase from 2004/pre-hurricane receipts of Travelers and Tourists. By this standard, the tax revenues generated by visitor spending have continued to show remarkable resilience in the wake of the storms.

Table 9
2003-06 LA State Tax Revenues Attributable To the Travel and Tourism Sector,
2003-2006

Revenue Category	2003 Visitor Taxes	2004 Visitor Taxes	2005 Visitor Taxes	2006 Visitor Taxes	2007 Visitor Taxes
Alcohol Beverage	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5
Beer Tax	\$1.2	\$1.2	\$1.2	\$1.1	\$1.1
Gasoline Tax	\$90.7	\$93.8	\$93.8	\$94.2	\$95.8
Auto Rental Excise	\$3.6	\$4.0	\$4.0	\$4.0	\$5.0
Sales Tax	\$212.4	\$220.1	\$201.6	\$211.3	\$227.8
Corporate Income Tax	\$17.3	\$18.0	\$13.6	\$11.5	\$21.6
Individual Income Tax	\$73.9	\$77.5	\$57.7	\$49.6	\$105.6
Motor Vehicle Licenses	\$7.9	\$8.2	\$6.1	\$2.5	\$3.1
Land Based Casino	\$16.8	\$19.0	\$18.1	\$16.2	\$22.6
Video Draw Poker	\$49.8	\$51.6	\$51.7	\$62.9	\$59.6
Riverboat Gaming	\$182.8	\$182.8	\$165.0	\$217.4	\$209.1
Racetrack Slots	\$0.0	\$0.0	\$24.7	\$31.0	\$30.6
Total	\$657.0	\$676.7	\$637.9	\$702.2	\$782.4

The Travel and Tourism sector also generates substantial revenues for local governments. With slightly higher tax rates than the state, it is clear that local governments received in excess of \$120 million in sales tax revenues alone.

VIII. Conclusion

The Louisiana 2007 Tourism Satellite Account (TSA) provides accounting measures for Travel and Tourism. This TSA also includes comparisons to evaluate the impact of Hurricanes Katrina and Rita on Louisiana's Travel and Tourism industry. Results show that Travel and Tourism spending peaked at over \$10.6 billion in 2004 before falling to just under \$8.6 billion in 2005 and again in 2006 to \$7.5 billion. In 2007, the second full year after hurricanes Katrina and Rita, the state realized a significant rebound to \$9.0 billion in visitor spending with continued record investment in infrastructure.

There was much to suggest that the year 2006 would mark a low point from which to measure the recovery of Louisiana's Travel and Tourism industry. The 2007 TSA underscores this by revealing a healthy rebound of the Travel and Tourism Industry. The continued rebuilding and renewal of this sector will continue to pay dividends. For example, Orleans Parish industries such as Accommodation and Food Services and Arts, Entertainment, and Recreation continue to show remarkable resiliency in Post-Katrina New Orleans. According to the Census, in July 2007 Orleans Parish population was 53% of Pre-Katrina levels while, according to Terrell & Bilbo's work tracking firm counts by industry in Orleans Parish, the aforementioned industries have suffered only a 16% and 28% loss in firm counts respectively. This resiliency, in large part, is due to the continued reinvestment and commitment to the Travel & Tourism Industry.

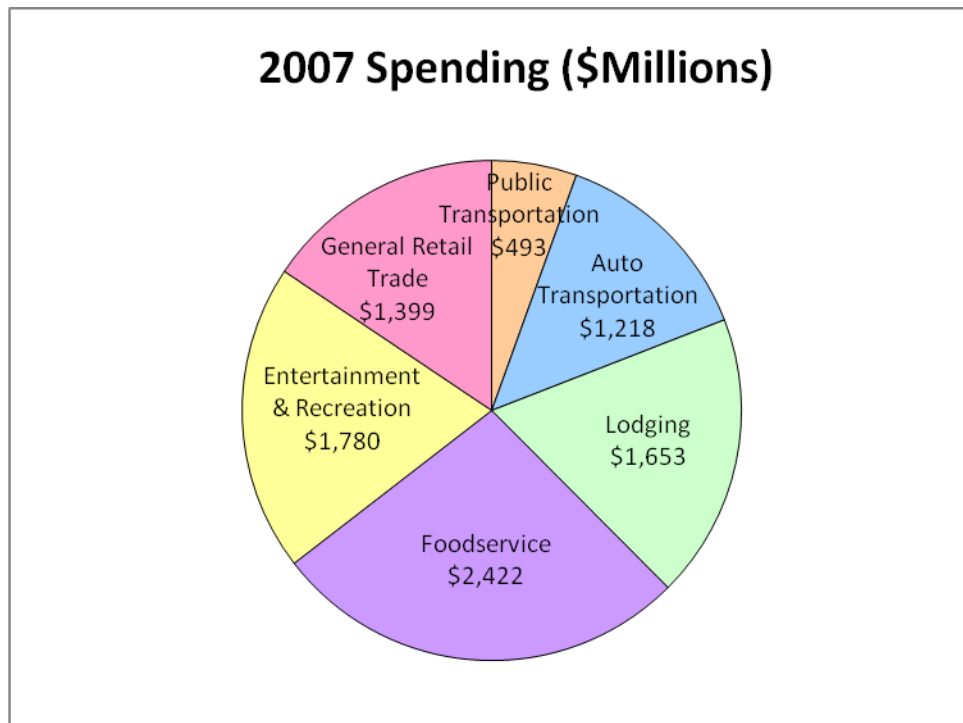
In 2007, over 143,000 workers were directly employed in the sector and 202,000 Louisiana jobs were directly or indirectly attributable to Travel and Tourism. These figures imply that the Travel and Tourism Industry directly employed 7.7% and indirectly employed an additional 3.2% of Louisiana's workforce in 2007. The result that almost 11% of Louisiana workers are either directly or indirectly employed by Travel & Tourism clearly shows the important role of this industry in Louisiana.

Appendix A

Data Sources

Travel and Tourists Spending Categorized

In their summary report titled “Travel Impact on Louisiana Preliminary 2005 and 2004”, a joint effort between the Louisiana Tourism Office and D.K. Schifflett, visitor spending was split between 6 categories as illustrated below. For consistency, we continue to use these categories.



All 2007 input data used in the impact model and this report with regard to Traveler and Tourist spending was estimated by UNO. The categories and proportions allotted to them above are derived either directly from UNO’s division of spending or from proportional relationships found in previous editions of this TSA.

Government Spending

TSA methodology suggests including all government spending that subsidizes the activities of visitors. Obvious examples include spending on state parks and museums. However, the methodology also suggests adding items such as additional security provided during tourism events. For this study, we included only items from the Louisiana state budget directly related to tourism. Government spending on roads is treated elsewhere as it has a unique place in the impact model.

Construction

Using data purchased from McGraw Hill Construction we calculated annual construction spending within Louisiana. McGraw-Hill Construction is the author of the F.W. Dodge Reports and is the lead authority on construction information. Government spending on roads is treated elsewhere as it has a unique place in the impact model. Annual spending on Travel and Tourism related construction in Louisiana was reported as:

Construction Spending (\$Millions)	
2002	\$306.5
2003	\$297.3
2004	\$447.3
2005	\$200.8
2006	\$368.3
2007	\$429.9

It is worth noting that construction spending in Travel and Tourism is quite volatile and can be sensitive to a few large projects.

Roads

The Louisiana Department of Transportation and Development (LADOTD) reported their “lettings” (actual contracts awarded) and their operational budget for FY06’-07’ sum to \$2,077.3 million. However, not all road work is done on behalf of Travelers and Tourists. Previous calculations have shown the share of vehicle miles traveled by “Travelers and Tourists” to be approximately 21%. This translates into roughly \$434 million in spending on behalf of T&T by LADOTD in 2007.

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